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BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 98-357-C - ORDER NO. 98-736

SEPTEMBER 23, 1998

IN RE: Application of OnePoint Communications -	)	
Georgia, LLC for a Certificate of Public	)	ORDER APPROVING <i>vr</i>
Convenience and Necessity to Provide	)	CERTIFICATE TO
Intrastate Interexchange, Local Exchange,	)	PROVIDE LOCAL AND
and Exchange Access Telecommunications	)	LONG DISTANCE
Services and for Alternative Regulation of	)	TELECOMMUNICATIONS
Certain Services in South Carolina.	)	SERVICES

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of OnePoint Communications - Georgia, LLC ("OnePoint" or "the Company") for authority to provide intrastate interexchange, local exchange, and exchange access telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1997), and the Regulations of the Commission.

By letter dated July 27, 1998, the Commission's Acting Executive Director instructed OnePoint to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. OnePoint complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). Counsel for SCTC filed a Stipulation dated August 10, 1998, in which OnePoint stipulated that any Certificate which may be granted would authorize OnePoint to provide service only to customers located in non-rural local exchange company ("LEC") service areas of

South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until OnePoint provided written notice of its intent prior to the date of the intended service. OnePoint also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. OnePoint agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to OnePoint provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached hereto as Exhibit 1.

A hearing was convened on September 17, 1998, at 11:30 a.m., in the Commission's Hearing Room. The Honorable William Saunders, Vice-Chairman, presided. OnePoint was represented by B. Craig Collins, Esquire. F. David Butler, General Counsel, represented the Commission Staff.

At the hearing, OnePoint presented D. Randy Long, Director-Regulatory Affairs, to testify in support of the Application. The record reveals that OnePoint proposes to provide intrastate local exchange, exchange access, and interexchange telecommunications services to customers in South Carolina. According to its Application, OnePoint initially intends to provide these services through resale, but at a later time may provide services using its own facilities.

Mr. Long testified that OnePoint possesses the technical, financial, and managerial resources and abilities to provide the services for which it seeks a certificate. As to managerial expertise, Mr. Long stated that the Company's senior management team has substantial experience and expertise in telecommunications. As to financial resources, he testified that OnePoint's capital requirements will be provided by its parent, which held total assets in excess of \$186 million as of June 30, 1998. As to technical capabilities, Mr. Long explained that OnePoint would be relying, in large part, upon the technical capabilities of the incumbent local

exchange carrier, BellSouth Telecommunications, Inc., whose services it would resale, as well as the networks and capabilities of major interexchange carriers and other carriers whose services may be resold. In addition, the Company has access to substantial technical resources of its own. Mr. Long further testified that OnePoint intends to provide services whose quality meets or exceeds all standards set by the Commission.

Mr. Long also testified that OnePoint's provision of service would not adversely impact the availability of affordable local exchange service but should increase its availability. He stated that the public interest would be served by granting OnePoint authority to provide local exchange and interexchange services in that competition would be promoted, new ways of packaging telecommunications services would increase customer choices, and competition will bring pressure to bear upon the pricing of telecommunications services. Finally, Mr. Long stated that OnePoint intends to abide by all universal service support requirements.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. OnePoint is a limited liability company organized and existing under the laws of the State of Delaware and authorized to transact business in the State of South Carolina.
2. OnePoint requests authority to provide intrastate local exchange, exchange access, and interexchange telecommunications services, both on a resale and a facilities-based basis.
3. The Commission finds that OnePoint possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1)(Supp. 1997).
4. The Commission finds that OnePoint will provide services that will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B)(2)(Supp. 1997).

5. The Commission finds that OnePoint's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3)(Supp. 1997).

6. The Commission finds that OnePoint will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4)(Supp. 1997).

7. The Commission finds that the provision of local exchange service by OnePoint "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5)(Supp. 1997).

8. The Commission finds that OnePoint has the experience, capability, and financial resources to provide intrastate interexchange telecommunications service in South Carolina.

#### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to OnePoint to provide intrastate local exchange, exchange access, and interexchange telecommunications services within South Carolina both on a resale and a facilities-based basis. Any proposal to provide local exchange service to rural service areas is subject to the terms of the Stipulation between OnePoint and SCTC.

2. For its local service offerings, OnePoint proposed a maximum rate design by which it would file a set of maximum rates and a price list of current prices. The Commission adopts a rate design for OnePoint's local service offerings which permits OnePoint to file its proposed schedule of maximum rates as requested along with a price list reflecting the actual prices being charged. The Commission has previously adopted a rate structure incorporating maximum rate levels for local exchange services. See In Re: Application of NewSouth Communications, LLC, etc., Order No. 98-165, issued in Docket No. 97-467-C (March 5, 1998).

For rate adjustments below the approved maximum level, OnePoint shall file its proposed tariff filings which shall be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing. If the Commission institutes an investigation of a tariff filing, then the tariff filing will be suspended until further Order of the Commission. The Commission believes that this process will allow OnePoint, as a competitive local exchange carrier, the flexibility to compete in the marketplace but will also allow for protection of the consumer through the Commission's investigative process. Any proposed increase in the maximum rate level which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be conducted in accordance with the notice and hearing provisions of a general ratemaking proceeding.

3. Prior to offering local exchange services in South Carolina, OnePoint shall file its final tariff of its local service offerings. The final tariff shall include One Point's Maximum Rate Schedule and Price List. Further, the final tariff shall include the modifications and changes to the proposed tariff to which OnePoint agreed with the Commission Staff.

4. For its intrastate interexchange service offerings, the Company seeks to be regulated in keeping with Order Nos. 95-1734, 96-55, 96-493, and 97-72, and the South Carolina Supreme Court decision filed on August 11, 1997, in Porter v. South Carolina Public Service Commission, 327 S.C. 220, 489 S.E.2d 467 (1997), regarding similar regulation for AT&T Communications of the Southern States, Inc. ("AT&T"). Since the relief sought is what has been granted to AT&T, and this "relaxed regulation" has passed the scrutiny of the South Carolina Supreme Court, we hereby grant the request for "relaxed regulation." The Company's business service offering tariffs are not required to indicate maximum rates. Furthermore, these tariffs are presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing, in which case such filings shall not be suspended pending further order of the Commission.

5. For the remainder of OnePoint's interexchange service offerings, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

6. For its nonbusiness interexchange service offerings, OnePoint shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. OnePoint shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 1997).

7. With regard to its intrastate interexchange services, OnePoint shall file its revised tariff and an accompanying price list within thirty (30) days from the date of receipt of this Order. The revised tariff shall be consistent with the findings of this Order, shall include all modifications suggested by Staff and agreed to by the Company, and shall be consistent with the Commission's Rules and Regulations.

8. With regard to its intrastate interexchange services, OnePoint is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. OnePoint shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If OnePoint changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, OnePoint shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

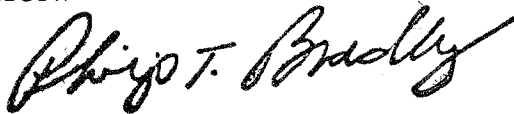
12. OnePoint shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. OnePoint shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

14. OnePoint shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition. Further, OnePoint shall conduct its business in accordance with all Commission Rules and Regulations unless waived by the Commission.

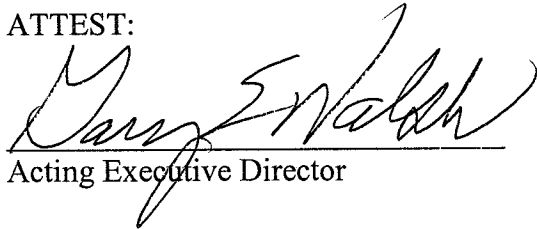
15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Acting Executive Director

(SEAL)



**POSTED**  
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**ACCEPTED**  
Legal *200 8-10 AX*

S. C. PUBLIC SERVICE COMMISSION  
**RECEIVED**  
AUG 10 1998  
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BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 98-357-C

Re: Application of OnePoint Communications-Georgia, LLC  
for a Certificate of Public Convenience and Necessity  
to Provide Intrastate Interexchange, Local Exchange,  
and Exchange Access Telecommunications  
Services in South Carolina

S. C. PUBLIC SERVICE COMMISSION  
**RECEIVED**  
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UTI **STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and OnePoint Communications – Georgia, LLC ("OnePoint") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to OnePoint's Application. SCTC and OnePoint stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to OnePoint, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. OnePoint stipulates and agrees that any Certificate which may be granted will authorize OnePoint to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. OnePoint stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. OnePoint stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until OnePoint provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, OnePoint acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. OnePoint stipulates and agrees that if, after OnePoint gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then OnePoint will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. OnePoint acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service

which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

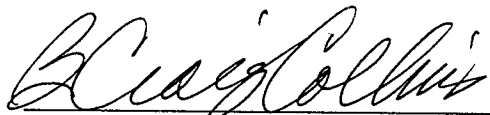
8. OnePoint agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. OnePoint hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

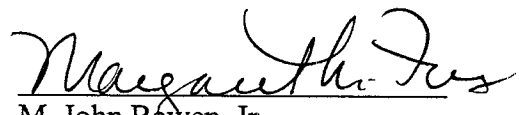
AGREED AND STIPULATED to this 10<sup>th</sup> day of August, 1998.

OnePoint Communications – Georgia, LLC

South Carolina Telephone Coalition:

  
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Attorney for OnePoint Communications  
-Georgia, LLC

  
M. John Bowen, Jr.  
Margaret M. Fox  
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(803) 799-9800

Attorneys for the South Carolina  
Telephone Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Bluffton Telephone Company, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Hargray Telephone Company, Inc.  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Horry Telephone Cooperative, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company

## ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS FOR INTEREXCHANGE COMPANIES AND AOS'S

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COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

---

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

---

TITLE

DOCKET NO. 98-357-C - ORDER NO. 98-736  
SEPTEMBER 23, 1998  
ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY  
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL  
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission  
the name, title, address, and telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

---

Company Name/DBA Name

---

Business Address

---

City, State, Zip Code

---

Authorized Utility Representative (Please Print or Type)

---

Telephone Number

Fax Number

---

E-Mail Address

---

This form was completed by      Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230